

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:759
ANSWERED ON:17.08.2007
DIFFICULTY IN GETTING LOANS FROM BANKS
Singh Deo Smt. Sangeeta Kumari

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government is aware that the people are facing a lot of problems in getting loans from the banks particularly in Orissa;
- (b) if so, the reaction of the Government in this regard;
- (c) whether the Government have issued any instructions to the banks in this regard;
- (d) if so, the details thereof; and
- (e) if not, the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) to (e) : Reserve Bank of India (RBI) has reported that they have no specific information in this regard. RBI, vide its circular dated May .5, 2003 has issued guidelines to banks on 'Fair Practice Code for Lenders' which, inter-alia, stipulate that lenders should ensure that there is proper assessment of credit application of borrowers, lenders must not discriminate borrowers on grounds of sex, caste and religion in the matter of lending, etc. Further, as per additional instructions issued by RBI in March, 2007 the banks are required to inform the customer the reasons for rejection of loan.